VZCZCXRO1322 PP RUEHAG RUEHBI RUEHCI RUEHDBU RUEHLH RUEHNEH RUEHPW RUEHROV RUEHSL DE RUEHAH #1203 2651251 ZNY CCCCC ZZH P 221251Z SEP 09 FM AMEMBASSY ASHGABAT TO RUEHC/SECSTATE WASHDC PRIORITY 3496 INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE RUCNCIS/CIS COLLECTIVE RUCNMEM/EU MEMBER STATES COLLECTIVE RUEHAK/AMEMBASSY ANKARA 5695 RUEHBJ/AMEMBASSY BEIJING 3410 RUEHKO/AMEMBASSY TOKYO 3274 RUEHIT/AMCONSUL ISTANBUL 3938 RHEHNSC/NSC WASHDC RHMCSUU/CDR USCENTCOM MACDILL AFB FL RUEAIIA/CIA WASHDC RHEFDIA/DIA WASHDC RUEKJCS/JOINT STAFF WASHDC RUEKJCS/SECDEF WASHINGTON DC RUEHVEN/USMISSION USOSCE 3921

C O N F I D E N T I A L ASHGABAT 001203

STPDTS

STATE FOR SCA/CEN

E.O. 12958: DECL: 09/22/2019 TAGS: <u>ECON PGOV SOCI TX</u>

SUBJECT: TURKMENISTAN: ENTREPRENEURSHIP ALIVE AND WELL IN MARY PROVINCE

Classified By: Charge d'Affaires Sylvia Reed Curran. Reasons 1.4 (B) a nd (D).

- 11. (C) SUMMARY: Mary province appears to contain a thriving small business sector, and many local residents have taken advantage of the post-Soviet era regulations allowing private ownership to build or make improvements to their homes and businesses. They are interested in studying business, marketing, and computers, and discuss such topics as whether private ownership of land would allow them to further develop their businesses. Although conversations with select residents do not give a universal picture of the state of small business in Mary, there are certainly pockets of active entrepreneurship. END SUMMARY.
- 12. (SBU) On a 17-18 September visit to Mary province, poloff spoke to a variety of local residents ranging from farmers and drivers to lawyers and teachers. One of the common themes in the conversations was the local residents' interest in starting their own businesses, and their appreciation for the end of Soviet regulations against private ownership. Poloff noticed many new homes being built on the outskirts of Mary, the capital city of the province, and was told that the government grants every family a certain amount of land, but the people are responsible for building their own homes.
- 13. (SBU) The driver who drove poloff during the two-day visit mentioned several times how glad she is that private business now exists in Turkmenistan. When her husband died three years ago, she went to work in her sister's cafe for a while, and then set out on her own, going to work as a driver. The driver's sister is another example of thriving entrepreneurship in Mary. The sister bought a cafe and has managed to expand her business enough to renovate the building and add a second story. Most of the customers in the cafe appeared to be local Turkmen, and the driver explained to poloff that the upstairs of the cafe was set up in the Western style with tables and chairs, knives and forks, but the downstairs is set up in the local Turkmen style, with rugs and pillows on the floor surrounding a low table.
- $\underline{\P}4$. (C) Female students at a community resource center told poloff that they want to start their own sewing business.

They currently sew and sell their products in their village, but they want to widen their circle of clients to Mary and Ashgabat. Their teacher encouraged them to think more broadly -- maybe they could even sell their goods in other countries. A project coordinator at Counterpart International added that business, marketing, and computer classes are among the most popular that they offer.

- 15. (C) A group of farmers met with poloff to discuss improvements they were making in their communities and got into a heated discussion about private property. One of the farmers argued that Turkmen needed to be able to own their own property, so that they would feel more secure and thus be more motivated to make improvements. The Counterpart International coordinator, who had been on a trip to the U.S., argued that property ownership was hard work and that Turkmen did not understand all the efort involved.
- 16. (C) COMMENT: People in Mary appeared motivated to start their own businesses and take advantage of the ownership opportunities available to them. Admittedly, poloff's range of contacts was limited to people with the initiative to apply for USG assistance or to find jobs working for U.S. programs, but from the descriptions of how many children were signing up for after-school English language or computer classes and the visibility of numerous cafes around the city of Mary, locals appeared to understand the benefits of small business ownership. END COMMENT.